

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	CASE NO. 90-002-F
ADJUSTMENT FILING OF EAST)	and
KENTUCKY UTILITIES, INC.)	CASE NO. 90-002-H

O R D E R

On October 10, 1990, the Commission issued its Order in Case No. 90-002 approving certain adjustments and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On March 21, 1991, East Kentucky Utilities, Inc. ("East Kentucky") notified the Commission in Case No. 90-002-F that its wholesale cost of gas would be increased by its supplier, Kentucky-West Virginia Gas Company ("Kentucky West"), effective May 1, 1991. On April 9, 1991, East Kentucky notified the Commission in Case No. 90-002-H that Kentucky West had revised its wholesale increase effective May 1, 1991. The revised filing is a decrease from that previously filed to be effective May 1, 1991. East Kentucky submitted with its notices certain information in compliance with its purchased gas adjustment ("PGA") clause on file with this Commission.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. On March 21, 1991, in Case No. 90-002-F, East Kentucky notified the Commission that its wholesale cost of gas would be adjusted in accordance with the Kentucky West Virginia Gas Company, FERC Gas Tariff, 27th Revised Sheet No. 41, filed to be effective May 1, 1991. East Kentucky's notice set out certain revisions in rates which East Kentucky proposed to place into effect, said rates being designed to pass on the wholesale increase in price from its supplier in the amount of \$27,106 or 25.05 cents per Mcf.

2. On April 9, 1991, in Case No. 90-002-H, East Kentucky notified the Commission that its wholesale cost of gas would be adjusted in accordance with the Kentucky West Virginia Gas Company, FERC Gas Tariff, Substitute 27th Revised Sheet No. 41, filed to be effective May 1, 1991 which supersedes and replaces the 27th Revised Sheet No. 41. East Kentucky's notice set out certain revisions in rates which East Kentucky proposed to place into effect, said rates being designed to pass on the wholesale decrease in price, from its filing in Case No. 90-002-F, in the amount of \$865 or 0.8 cents per Mcf.

3. The combined effect of East Kentucky's filings of March 21, 1991 and April 9, 1991 is a supplier increase in the amount of \$26,241 or 24.25 cents per Mcf.

4. Kentucky West filed with the Federal Energy Regulatory Commission for rates to become effective May 1, 1991. The effective date for East Kentucky's rates should be on and after the date of this Order. Kentucky West's rates are subject to refund; hence, East Kentucky's rates should be subject to refund.

5. East Kentucky's proposed rates filed March 21, 1991 have been superseded and replaced by those contained in its filing of April 9, 1991.

6. East Kentucky's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 90-002 dated October 10, 1990 is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after the date of this Order, subject to refund.

IT IS THEREFORE ORDERED that:

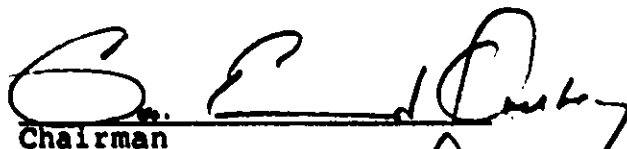
1. The rates proposed by East Kentucky on March 21, 1991 are hereby denied.

2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are approved effective with gas supplied on and after the date of this Order, subject to refund.

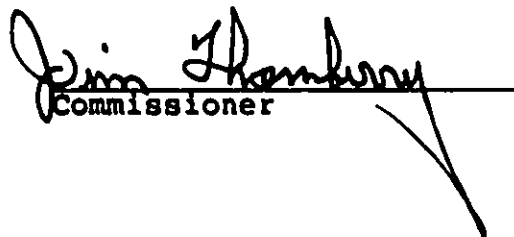
3. Within 30 days of the date of this Order, East Kentucky shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 3rd day of May, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NOS. 90-002-F and 90-002-H DATED 5/03/91

The following rates and charges are prescribed for the customers in the area served by East Kentucky Utilities, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Rates: Monthly

First 1 Mcf	\$8.7164
Over 1 Mcf	5.7615

Minimum Bill: \$8.72 for less than 1 Mcf

The base rate for the future application of the purchased gas adjustment clause of East Kentucky Utilities, Inc. shall be:

	<u>Commodity</u>
Kentucky-West Virginia Gas Company	\$2.2864/Dth*
Southeastern Gas Company	\$3.50/Mcf

*Includes \$.0146 per Dth - Gas Research Institute Funding Charge and \$.0022 Annual Charge Adjustment.